

WHITHER CO-OPERATIVES

AND

THE CO-OPERATIVE DEVELOPMENT PROGRAM

OPENING ADDRESS

BY

THE MINISTER FOR EMPLOYMENT AND TRAINING

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IT IS UNDERSTANDABLE THAT SOME CO-OPERATIVES MAY HAVE BEEN CONCERNED ABOUT THE FUTURE OF THE CO-OPERATIVE DEVELOPMENT PROGRAM. THIS CONCERN ARISES FROM DECISIONS TO CLOSE THE CO-OPERATIVE BUSINESS AND EDUCATION AND TRAINING UNITS, DECISIONS TO CEASE FUNDING CO-OPERATIVES WHO HAVE BEEN RECEIVING SUPPORT AND DECISIONS NOT TO FUND A MAJORITY OF NEW APPLICANTS.

THESE DECISIONS NEED TO BE SEEN IN THE PERSPECTIVE OF A DEVELOPING PROGRAM. I AM APPRECIATIVE OF THE EFFORTS OF THE PERSONNEL IN THE UNITS AND BELIEVE THEY HAVE MADE A USEFUL CONTRIBUTION TO THE PROGRAM. HOWEVER, THE DECISION TO CLOSE THE UNITS MUST BE SEEN AS POSITIVE, IF HARD, STEPS TO ESTABLISH MORE EFFECTIVE AND RELEVANT SUPPORT SERVICES.

THE OTHER DECISIONS MUST BE SEEN AS A CLEAR STATEMENT THAT ECONOMIC VIABILITY IS A MAJOR OBJECTIVE OF THE PROGRAM. THE LIMITED FUNDS AVAILABLE MUST BE USED AS EFFECTIVELY AS POSSIBLE TO MEET THAT OBJECTIVE. RESOURCES ARE NOT AVAILABLE IN THIS PROGRAM TO SUPPORT GOOD INTENTIONS ALONE.

IN 1983 CRUICKSHANK MANAGEMENT RESOURCES PTY LTD WAS COMMISSIONED TO EVALUATE THE PROGRAM. THERE WERE THREE KEY RECOMMENDATIONS IN THE SUBSEQUENT REPORT. THE SUBSEQUENT REPORT CONCLUDED THAT A MAJORITY OF THE THEN FUNDED CO-OPERATIVES COULD OR WOULD BECOME ECONOMICALLY VIABLE. THIS WAS SUBJECT, HOWEVER, TO GOVERNMENT INVOLVEMENT IN A CONTINUING CO-OPERATIVE PROGRAM BEING MINIMISED AND THE ESTABLISHMENT OF INDEPENDENT TECHNICAL AND FINANCIAL ASSISTANCE AGENCIES.

ALTHOUGH USEFUL, I DO NOT BELIEVE THE EVALUATION SUFFICIENTLY COVERED THE ISSUES THAT ARE ESSENTIAL TO RESOLVE IN ORDER TO DEVELOP THE PROGRAM FURTHER. THIS IS THE MAJOR REASON FOR OTHER REVIEWS WHICH ARE NOW UNDERWAY. I WILL SAY A LITTLE MORE ON THESE LATER.

WHAT I'D LIKE TO DO IS GIVE AN INDICATION OF OUR THINKING ON CURRENT DEVELOPMENTS.

### OBJECTIVES AND GUIDELINES

NEW OBJECTIVES AND GUIDELINES HAVE BEEN PREPARED. THESE ARE IN RESPONSE TO THE BROAD EXPERIMENTAL NATURE OF THE ORIGINAL OBJECTIVES AND GUIDELINES AND THE DEVELOPING EXPERIENCE OF THE CO-OPERATIVES.

THE OBJECTIVE OF THE CONTINUING CO-OPERATIVE PROGRAM IS THE ESTABLISHMENT AND DEVELOPMENT OF ECONOMICALLY VIABLE CO-OPERATIVE BUSINESS ENTERPRISES WHICH DEMONSTRATE A COMMITMENT TO AND UNDERSTANDING OF CO-OPERATIVE PRINCIPLES AND PRACTICES, WORKPLACE DEMOCRACY AND SOCIALLY USEFUL PRODUCTS AND SERVICES.

ACCOMPANYING GUIDELINES CLEARLY IDENTIFY THE ECONOMIC VIABILITY EXPECTATION AND REQUIREMENT, THE NEED TO PROTECT AND DEVELOP THE RIGHTS OF WORKERS IN CO-OPERATIVES, THE IMPORTANCE OF CO-OPERATIVE PRINCIPLES IN PRACTICE AND THE NEED FOR CO-OPERATIVES TO ADOPT AN INDUSTRIAL DEMOCRACY PHILOSOPHY AND PRACTICE.

THESE GUIDELINES STIPULATE MINIMUM STANDARDS FOR INDUSTRIAL DEMOCRACY AND EDUCATION AND TRAINING PLANS. CO-OPERATIVES ARE NOW REQUIRED TO ESTABLISH OCCUPATIONAL HEALTH AND SAFETY COMMITTEES AND EMPLOYMENT CONTRACTS WITH WORKERS - BASED ON EXISTING AWARD WAGES AND CONDITIONS.

FUNDING WILL NOW ONLY BE PROVIDED TO CO-OPERATIVES WHICH DEVELOP REAL AND SUBSTANTIAL MEASURES FOR WORKER PARTICIPATION. FUTURE PROPOSALS FOR CONVERTING COMPANIES INTO CO-OPERATIVES WILL NOT BE CONSIDERED UNLESS THE WORKFORCE UNDERSTANDS AND ACCEPTS THE BASIS FOR CONVERSION. IN FUTURE START-UP AND CONVERSION CO-OPERATIVES WILL BE EXPECTED TO LIAISE WITH APPROPRIATE TRADE UNIONS. GROUPS WILL ALSO BE EXPECTED TO DEMONSTRATE THEIR CO-OPERATIVE NATURE - THE EXTENT THAT THEY HAVE AND WILL PUT CO-OPERATIVE PHILOSOPHY INTO PRACTICE. THIS WILL INCLUDE THEIR RECORD AND PROPOSALS FOR CO-OPERATING WITH OTHER CO-OPERATIVES AND FOR CO-OPERATIVE EDUCATION AND TRAINING.

THE GOVERNMENT HAS CLEAR POLICIES, PARTICULARLY IN REGARD TO OCCUPATIONAL HEALTH AND SAFETY AND INDUSTRIAL DEMOCRACY. ALL THE PROGRAMS OF MY MINISTRY WILL BE CONSISTENT WITH THEM.

ALL CURRENTLY FUNDED CO-OPERATIVES SEEKING ADDITIONAL FINANCIAL ASSISTANCE IN 1984-85 WILL BE REQUIRED TO ACCEPT THE NEW CONDITIONS.

#### THE FUNDING COMMITTEE

THE CDP FUNDING COMMITTEE HAS SERVED THE MINISTRY SINCE APRIL 1981. I AM PLEASED TO ANNOUNCE THAT THE MEMBERSHIP OF THE COMMITTEE HAS BEEN INCREASED TO INCLUDE TWO REPRESENTATIVES OF THE VICTORIAN

CREDIT CO-OPERATIVES ASSOCIATION. FOR THE FIRST TIME, THEN, THE CO-OPERATIVE SECTOR HAS A MAJORITY ON THE COMMITTEE - SIX OUT OF 11. IN THE FUTURE I WOULD HOPE TO FURTHER REVIEW THE COMPOSITION OF THE COMMITTEE SO THAT TRADE UNION INTERESTS ARE ADEQUATELY REPRESENTED.

WITH INCREASING COMPLEXITY IN THE DEVELOPMENT OF THE PROGRAM, THE FUNDING COMMITTEE IS ALSO PREPARING VIABILITY CRITERIA GUIDELINES WHICH ARE GROUPED INTO FINANCIAL, BUSINESS, CO-OPERATIVE AND DEMOCRATIC PERFORMANCE INDICATORS.

#### Co-operative Support Services

NEW CO-OPERATIVE SUPPORT SERVICES ARE BEING DEVELOPED. THE DEPARTMENT OF SMALL BUSINESS (PRESTON TAFE) IS PROVIDING A BUSINESS CONSULTANCY SERVICE FOR MELBOURNE CO-OPERATIVES. THE SCHOOL OF BUSINESS (BALLARAT CAE) IS PROVIDING A BUSINESS CONSULTANCY SERVICE FOR COUNTRY CO-OPERATIVES. THE COLLINGWOOD-RICHMOND-FITZROY CREDIT CO-OPERATIVE IS PROVIDING A BOOKKEEPING SERVICE FOR MELBOURNE AND COUNTRY CO-OPERATIVES.

PRESTON AND BALLARAT ARE DEVELOPING SERVICE CONTRACTS WITH EACH CO-OPERATIVE. THE CREDIT CO-OPERATIVE HAS COMPLETED A STUDY OF THE BOOKKEEPING SYSTEMS OF SIX CO-OPERATIVES.

WHILE THESE SUPPORT SERVICES ARE STILL DEVELOPING THEY DO PROVIDE A COMPREHENSIVE AND SOPHISTICATED SERVICE THAT WAS NOT PREVIOUSLY POSSIBLE. THEY ALSO PROVIDE A SOUND AND BETTER BASIS FOR THE ESTABLISHMENT OF AN INDEPENDENT CO-OPERATIVE DEVELOPMENT AGENCY. THE CURRENT SERVICES ARE DECENTRALISED AND HAVE THE

POTENTIAL TO EXPAND SUBJECT TO NEEDS AND DEMAND.

#### Co-OPERATIVE EDUCATION AND TRAINING

PRESTON TAFE IS DEVELOPING TWO COURSES - THE CO-OPERATIVE INTENDERS AND CO-OPERATIVE NEW ENTERPRISE COURSES. THERE HAVE ALREADY BEEN THREE INTENDERS COURSES AND THE FIRST NEW ENTERPRISE COURSE WILL BEGIN ON THE 27 FEBRUARY, 1984.

THESE COMPREHENSIVE COURSES PROVIDE A SYSTEMATIC BASIS FOR CO-OPERATIVE EDUCATION AND TRAINING. THEY DEAL NOT ONLY WITH BUSINESS OPERATIONS BUT ALSO WITH CO-OPERATIVE PHILOSOPHY AND PRACTICE, TRADE UNIONS, OCCUPATIONAL HEALTH AND SAFETY AND WORKPLACE DEMOCRACY.

THE EXPERIENCE OF THE THREE INTENDERS COURSES HAS ALREADY LED TO CHANGES IN THE CONTENT AND STRUCTURE OF THE FORTHCOMING NEW ENTERPRISE COURSE AND FOR FUTURE INTENDERS COURSES.

IN ADDITION TO THE PRESTON COURSE, THE MINISTRY HAS ORGANISED A PILOT CONVERSION CO-OPERATIVE WORKSHOP FOR THE 25 FEBRUARY, 1984. I WOULD ALSO ANTICIPATE THAT SPECIALISED WORKSHOPS WILL BE DEVELOPED TO MEET SPECIFIC INDUSTRY AND SKILL NEEDS. BALLARAT'S SCHOOL OF BUSINESS HAS BEEN FUNDED TO DEVELOP THREE WORKSHOPS. THE COLLINGWOOD-RICHMOND-FITZROY CREDIT CO-OPERATIVE HAS PROPOSED THE DEVELOPMENT OF BOOKKEEPING WORKSHOPS.

IN MATTERS OF CO-OPERATIVE EDUCATION AND TRAINING THE MINISTRY IS BEING ADVISED BY A COURSE COMMITTEE.

### CONVERSION CO-OPERATIVES

OFFICERS OF THE MINISTRY HAVE BEEN MEETING WITH WORKERS AND MANAGERS IN SEVERAL COMPANIES INTERESTED IN CONVERTING INTO CO-OPERATIVES. UNDER A NEW EMPLOYMENT DEVELOPMENT PROGRAM ADDITIONAL FUNDS WILL BE AVAILABLE FOR FINANCING CONVERSION CO-OPERATIVES UNDER THE CO-OPERATIVE DEVELOPMENT PROGRAM.

CONVERSION CO-OPERATIVES OFFER THE POSSIBILITY OF DEVELOPING NEW AREAS FOR CO-OPERATION IN AUSTRALIA. THE ADVANTAGES OF CONVERSION CO-OPERATIVES ARE THE POSSIBILITIES OF ASSESSING MARKET, MANAGEMENT AND TECHNICAL SKILL RECORDS.

THIS IS NOT, OF COURSE, TO UNDERESTIMATE THE POTENTIAL PROBLEMS WITH CONVERSION CO-OPERATIVES - MANAGEMENT INSPIRED WITHOUT WORKFORCE SUPPORT, A SOURCE OF CHEAP CAPITAL OTHERWISE UNAVAILABLE AND SAVING JOBS IN AN ECONOMICALLY UNVIABLE ENTERPRISE.

### FOOD CO-OPERATIVES

FOOD CO-OPERATIVES ARE BEING SUPPORTED. A FOOD CO-OPERATIVE IS OPERATING IN BENDIGO. CONSIDERATION IS BEING GIVEN TO SUPPORTING THE ESTABLISHMENT OF FOOD CO-OPERATIVES IN BALLARAT AND GEELONG.

THERE IS EXTENSIVE INTEREST IN THE ESTABLISHMENT AND DEVELOPMENT OF FURTHER FOOD CO-OPERATIVES. THE NATURE OF THESE FOOD CO-OPERATIVE PROPOSALS DIFFERS SIGNIFICANTLY. I BELIEVE THAT THIS DEVELOPMENT SHOULD NOT BE DISTORTED BY LAVISH FUNDING.

THERE IS A NEED TO IDENTIFY THE REALISTIC AND APPROPRIATE DEVELOPMENTAL NEEDS OF FOOD CO-OPERATIVES. I HAVE AGREED, THEREFORE, TO FUND THE VICTORIAN FOOD CO-OPERATIVE STUDY GROUP TO DEVELOP POLICY OPTIONS FOR THE SUPPORT OF FOOD CO-OPERATIVES.

### TRADE UNIONS

THE TRANS NATIONAL CO-OPERATIVE HAS BEEN JOINTLY COMMISSIONED BY THE NEW SOUTH WALES AND VICTORIAN GOVERNMENTS TO REVIEW CRITICAL POLICY ISSUES RELEVANT TO CO-OPERATIVES AND THE LABOUR MOVEMENT.

IT IS UNACCEPTABLE THAT CO-OPERATIVES COULD UNDERMINE TRADE UNION ACHIEVEMENTS AND STANDARDS BY TOLERATING UNDER AWARD WAGES AND CONDITIONS. THIS IS WHY FUNDED CO-OPERATIVES ARE REQUIRED TO OBSERVE AWARD WAGES AND CONDITIONS.

I ASSUME, HOWEVER, THAT CO-OPERATIVES ARE, OR SHOULD BE, CONCERNED WITH DEVELOPING THE WORK AND WORKPLACE RIGHTS OF WORKERS. THIS IS WHY CO-OPERATIVES ARE NOW BEING REQUIRED TO DEVELOP EMPLOYMENT CONTRACTS, ESTABLISH OCCUPATIONAL HEALTH AND SAFETY COMMITTEES AND ACCEPT AND IMPLEMENT WORKPLACE DEMOCRACY PRINCIPLES AND PRACTICES.

I WOULD URGE ALL WORKERS IN CO-OPERATIVES TO JOIN APPROPRIATE UNIONS.



I WOULD NOT UNDER-ESTIMATE THE DIFFICULTIES OF PERSUADING TRADE UNIONS THAT CO-OPERATIVES CAN EXTEND THE RIGHTS OF WORKERS, BUT THIS POSSIBILITY WILL BE ENHANCED IF CO-OPERATIVE WORKERS JOIN UNIONS.

I BELIEVE THAT THE TRANS NATIONAL CO-OPERATIVE STUDY WILL IDENTIFY THE KEY ISSUES IF THERE IS TO BE A CLOSER RELATIONSHIP BETWEEN CO-OPERATIVES AND UNIONS.

#### FINANCIAL ASSISTANCE

A STUDY IS BEING UNDERTAKEN BY THE COLLINGWOOD-RICHMOND-FITZROY CREDIT CO-OPERATIVE INTO THE LONG-TERM FINANCIAL ASSISTANCE OPTIONS FOR CO-OPERATIVES. I AM CONFIDENT THAT THIS STUDY WILL ESTABLISH A COMPREHENSIVE FINANCIAL ASSISTANCE SYSTEM.

#### THE FUTURE

A MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATION HAS BEEN ESTABLISHED BY THE MINISTER FOR HOUSING, THE HONOURABLE I. CATHIE, M.P. THIS COMMITTEE WILL EXAMINE THE BASIS FOR CHANGES TO THE CO-OPERATION ACT 1981 AND THE MOST APPROPRIATE WAY TO FACILITATE THE DEVELOPMENT OF CO-OPERATIVES.

THE EXPERIENCE AND THE INITIATIVES OF THE MINISTRY OF EMPLOYMENT AND TRAINING WILL CONTRIBUTE SUBSTANTIALLY TO THE DELIBERATIONS OF THE COMMITTEE. THIS IS RECOGNISED BY THE INCLUSION OF JOE BURKE, ONE OF MY MINISTERIAL ADVISERS; DAVID GRIFFITHS, AN OFFICER OF MEAT; AND BARRY PULLEN MLC, FROM THE EMPLOYMENT AND TRAINING CAUCUS COMMITTEE.

THE COMMITTEE WILL ESTABLISH THE BASIS FOR THE FUTURE DEVELOPMENT OF CO-OPERATIVES - INCLUDING THE CDP CO-OPERATIVES.

I WOULD PROPOSE THAT THE CDP CO-OPERATIVES SHOULD FORM A WORKING PARTY, TO BE SERVICES BY THIS MINISTRY, SO THAT ITS VIEWS CAN BE PROPERLY REPRESENTED TO THE MINISTERIAL ADVISORY COMMITTEE. TO THIS END I WOULD INVITE A PROPOSAL ON HOW WE CAN FURTHER ASSIST THIS PROCESS.

IN PROVIDING RESOURCES, HOWEVER, I WOULD NOTE THAT A VIABLE CO-OPERATIVE SECTOR DEPENDS ON A VIABLE CO-OPERATIVE MOVEMENT. IN THE PAST CO-OPERATIVES HAVE BEEN MORE EFFECTIVE IN ASSERTING A RIGHT TO BE FUNDED AND TO IGNORE CONTRACTUAL CONDITIONS MORE SO THAN ESPOUSING AND DEVELOPING A CO-OPERATIVE MOVEMENT.

I LOOK FORWARD TO RECEIVING YOUR CONTRIBUTION AS TO HOW THIS CAN BE ACHIEVED.